

Message Text

SECRET

PAGE 01 OSLO 02771 011400Z

53

ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15 EB-11

COME-00 TRSE-00 INT-08 XMB-07 OMB-01 SCEM-02 RSR-01

/124 W

----- 109144

R 011051Z AUG 73

FM AMEMBASSY OSLO

TO SECSTATE WASHDC 6921

INFO AMEMBASSY MOSCOW

S E C R E T OSLO 2771

EO 11652: GDS

TAGS: ENRG US UR NO

SUBJECT: NORTH STAR REPRESENTATIVE MEETS WITH NORWEGIAN
OFFICIALS

REF: (A) STATE 142345; (B) OSLO 2589; (C) OSLO 2588 (EXDIS)

1. DEPARTMENT MAY ALREADY BE INFORMED THAT NORWEGIAN
OFFICIALS MET WITH NORTH STAR REPRESENTATIVE KENDALL NOT-
WITHSTANDING INITIAL INSTRUCTIONS OF PRIME MINISTER
KORVALD (REPORTED REF B). MFA UNDER SECRETARY SVENNEVIG
APPEARED REASSURED BY WHAT KENDALL HAD TO SAY.

2. SVENNEVIG TOLD ME DURING WEEKEND VISIT THAT HE HAD
IN FACT MET WITH KENDALL (APPARENTLY JULY 19) AFTER HE
WAS INFORMED THAT IT WOULD BE DIFFICULT TO CALL OFF
MEETING SINCE KENDALL WAS ALREADY EN ROUTE TO OSLO. AFTER
BRIEFING SVENNEVIG AND TWO MINISTRY OF INDUSTRIES OFFI-
CIALS (SECRETARY GENERAL AND PLANNING HEAD), KENDALL
OFFERED TO ARRANGE FULL-SCALE BRIEFING BUT WAS TOLD THAT
NORWEGIAN GOVERNMENT HAD SUFFICIENT INFORMATION PENDING
CONCLUSION OF NORTH STAR TALKS WITH THE SOVIETS AND
INTERNAL NORWEGIAN REVIEW. KENDALL APPARENTLY PLANS TO
SECRET

SECRET

PAGE 02 OSLO 02771 011400Z

REPORT BACK TO THE NORWEGIANS ON HIS FORTHCOMING TALKS

WITH THE SOVIETS.

3. SVENNEVIG APPEARED TO BE RATHER PLEASED BY WHAT HE LEARNED FROM KENDALL; NAMELY (A) THE ONLY SOVIET RESPONSIBILITY WOULD BE TO DELIVER GAS TO THE NORWEGIAN BORDER; (B) THE COMPANY WOULD HAVE SOLE RESPONSIBILITY FOR CONSTRUCTING THE PIPELINE, LIQUEFACTION PLANT, AND PORT FACILITIES ON NORWEGIAN SOIL; (C) THE SOVIETS HAD TALKED OF POSSIBLY HAVING THE PIPELINE TERMINATE AT PECHENGA (PETSAMO) BUT NEVER MURMANSK; (D) WHILE THERE PROBABLY WERE SECURITY CONSIDERATIONS, THE SOVIETS APPEARED MOST CONCERNED OVER THE INCREASED CREDIT REPAYMENT BURDEN TO THE AMERICAN SIDE WHICH THEY WOULD HAVE TO ASSUME IF THE LIQUEFACTION PLANT AND PORT FACILITIES WERE BUILT WITHIN THE USSR. KENDALL EXPLAINED THAT CONSTRUCTION OF THE LIQUEFACTION PLANT, PORT FACILITIES AND PIPELINE FROM THE NORWEGIAN BORDER WOULD COST AN ESTIMATED 1.5 BILLION DOLLARS (APPARENTLY ASSUMING CONSTRUCTION AT KIRKENES). ASKED WHAT THE PROJECT WOULD MEAN IN TERMS OF LOCAL EMPLOYMENT, SVENNEVIG SAID THE LIQUEFACTION PLANT WOULD PROVIDE WORK FOR SOME 300 PERSONS WHICH IS SIZEABLE BY FINNMARK STANDARDS. HE REFERRED IN PASSING TO THE UNUSED PORT CAPACITY AT VARDØ, INDICATING THAT THE NORWEGIAN GOVERNMENT WOULD PREFER TO SEE THE PIPELINE TERMINATE THERE RATHER THAN KIRKENES, BUT HE NOTED THAT CONSTRUCTION OF THE PIPELINE IS EXTREMELY EXPENSIVE AND HE DOUBTED NORTH STAR WOULD BE PREPARED TO SPEND THE EXTRA MONEY.

4. COMMENT: APPARENTLY WHAT KENDALL TOLD SVENNEVIG STRENGTHENED HIS EXISTING INTEREST IN SEEING THIS PROJECT UNDERTAKEN IN ECONOMICALLY BACKWARD FINNMARK. HE DID NOT REPEAT HIS EARLIER CONCERN (REF C) THAT THE PROJECT MIGHT INCREASE THE VULNERABILITY OF NORTHERN NORWAY. HE SEEMED TO BE PERSUADED BY KENDALL THAT THE SOVIET SUGGESTION THAT THE PLANT BE BUILT ON NORWEGIAN SOIL WAS DICTATED BY LEGITIMATE ECONOMIC CONSIDERATIONS (PRESUMABLY A DESIRE TO HASTEN THE TIME WHEN SOVIET NATURAL GAS WOULD GO TO EARN FOREIGN CURRENCY RATHER THAN PAYING SOVIET DEBTS) PLUS CONCERN TO PROTECT A STRATEGIC AREA ON THE KOLA

SECRET

SECRET

PAGE 03 OSLO 02771 011400Z

PENINSULA. BUCHANAN

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, PIPELINE TERMINALS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OSLO02771
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS BUCHANAN
Errors: N/A
Film Number: n/a
From: OSLO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730865/aaaabvnr.tel
Line Count: 108
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 73 STATE 142345, (C) OSLO 2588 (EXDIS)
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 19 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Sep-2001 by martinml>; APPROVED <02-Oct-2001 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NORTH STAR REPRESENTATIVE MEETS WITH NORWEGIAN OFFICIALS
TAGS: ENRG, US, UR, NO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005